

SNOHOMISH COUNTY PUBLIC FACILITIES DISTRICT  
PUBLIC FACILITY DISTRICT MEETING MINUTES  
COMCAST ARENA  
2000 Hewitt Avenue, Suite 200, Everett, WA 98201  
October 24, 2013  
3:00 P.M.

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**Board:**

Travis Snider, District #4  
Boyd McPherson, District #1  
Debbie Emge, District #5  
Steve Shelton, District #3

**Interested Parties:**

Barry Smith, Future of Flight Foundation  
Joe McIalwain, Edmonds Center for the Arts  
Rick Comeau and Rich Stewart in place of Jeff Schumacher,  
Comcast Arena  
Grant Dull, Lynnwood Convention Center  
Dave Waggoner, Snohomish County Airport

**Staff:**

Sharyl Raines, Finance Department  
Nancy Miller, Finance Department  
Doug Ferguson, PFD Attorney

**Call to Order:** Travis Snider called the meeting to order at 3:40 PM and thanked Rick Comeau and Rich Stewart for the tour of the Comcast Arena.

**Public Comment**

No public comments.

**Approval Items**

Boyd McPherson moved to approve the April 25<sup>th</sup> 2013 and July 25<sup>th</sup> 2013 meeting minutes. Debbie Emge seconded the motion and it passed unanimously.

After review of the vouchers, Debbie Emge moved to approve the vouchers for April, May, and June 2013 in the amount of \$475,935.73 and for July, August, and September 2013 in the amount of \$484,917.23. Boyd McPherson seconded the motion and it passed unanimously.

The following vouchers/warrants for Board member reimbursement are approved for payment:

Fund X10

Voucher/warrant numbers: 1758186, 1758067, 1758083, 1758174 Total \$200.00

Voucher/warrant numbers: 1771321 Total \$50.00

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The following vouchers/warrants for claims are approved for payment:

Fund X10

Voucher/warrant numbers 1756859 through 1765703 Total \$475,735.73

Voucher/warrant numbers 1768992 through 1777655 Total \$484,867.23

### **Financial Report**

Nancy Miller reviewed the Third Quarter financial reports. YTD Sales Tax Revenues growth rate is 10.8%.

Travis also noted on the Third Quarter financial report that the QTD growth rate for the Snohomish County PFD is 12.7%

Grant Dull noted that the City of Lynnwood hasn't yet seen double digit growth but it makes sense that the County would as there is building and construction occurring in the unincorporated areas of the County.

Travis Snider noted historical trends and that it is expected 2014/2015 may be high growth for many industries.

### **New Business**

*Revenue Forecasting* – per a previous request from the PFD Board, Nancy modified the revenue forecast sheet to reflect a 6% and 8% growth rate to compare to the original forecast sheet that uses a 3.6% growth rate. Per request of the Board Nancy will forward the spreadsheet to the Board and PFD members so they can use it as a tool to perform “what if” analyses.

*Transition of Snohomish County former Finance Director* – Sharyl Raines noted that Roger has taken a position at the City of Edmonds as their Finance Director. Currently there is no replacement for the County Finance Director and there isn't any information yet as to if or when there will be a replacement.

*Adopt 2014 Budget* – Nancy reviewed the proposed 2014 Budget. Boyd McPherson moved to adopt the 2014 Budget as presented by Snohomish County. Steve Shelton seconded the motion and it passed unanimously.

*Board Member Reappointments* – Both Travis and Bruce Gandall were reappointed to the PFD Board. County Council has approved the reappointment motions.

*2014 Meeting Locations* – Travis noted that it was enjoyable in 2013 to be able to have the PFD meetings at each of the 4 PFD locations. The rest of the Board agreed. Doug Ferguson stated we can do this meeting by meeting or could determine ahead of time. The following 2014 schedule was determined: Future of Flight for January, Comcast for



April, Lynnwood for July and Edmonds for October. Debbie moved to approve the 2014 meeting locations and Boyd seconded the motion, it passed unanimously.

**Project Financial Updates**

**EDMONDS PFD – Joe McIlwain**

- Distributed and reviewed a current Statement of Revenues, Expenses and Changes in Fund Net Assets
- ECA is doing well. They kicked off their season in Sept with their annual Gala which was a huge success. They had approx. \$55K more in revenue this year compared to the 2012 year for the event. The first show of the season was Capital Steps which sold out.
- In 2014 a conditional use permit will expire that allows ECA to build to a height of the original 1910 school building. They are working to extend the permit.
- ECA applied for a CDBG grant to improve/increase the accessibility to the restrooms in the older facility.
- ECA's fundraising/marketing lead was hired away to Seattle Repertoire Theater but they have hired a new fundraising/marketing lead that will start 11/11/13.
- ECA has received a \$62K grant for Film Infrastructure. It will upgrade their surround sound and help with other upgrades in the theater.
- ECA and the City of Edmonds continue to have discussions about the Contingent Loan agreement between the two parties and the possibility of the City helping to pay some of the debt.
- Steve Shelton who is on the non-profit board for ECA says that Joe McIlwain does a great job at selecting the acts that the Edmonds residents most likely want to see.

**EVERETT PFD – Rick Comeau and Rich Stewart – sitting in for Jeff Schumacher**

- Sept 2013 was the 10 yr. anniversary for the Comcast Arena. 2013 is also the 10 yr. anniversary of the Silvertips hockey team.
- The fall home show was very successful – ticket sales were up 40% over 2012 level.
- Enduro Cross is currently at Comcast and ticket sales are good. Disney on Ice will be in November and December will be the Festival of Trees.
- Thanksgiving weekend has a hockey tournament and they will have many participants from Canada. They believe it will be good for the local economy as they expect many families to come here from Canada. They foresee dads and sons will watch hockey and the moms and daughters will shop at the Seattle Outlet Mall in Tulalip.
- Distributed and reviewed the Financial Statement for the first 9 months of the year
- Rich said they have estimated a \$150K loss at 2013 year end. Financial results are flat compared to prior year. The variable rate debt they have is at the lowest rate since 2007 – 0.08%. Half of Comcast's debt is variable rate. Piper Jaffrey is their financial advisor who is closely monitoring the variable interest rate so they can let Comcast know if they need to look at moving to a fixed rate model.
- Gigi Burke noted that the size of the Comcast Arena makes it difficult to compete with Seattle. Many of the casinos' now take the smaller shows. Comcast is looking at other

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Global Spectrum venues for info on success of certain shows for ideas of what might do well in Everett.

- Rick - Everett is trying to think outside the box and build relationships with promoters. They recently had a staff brainstorm session on how to raise more revenues and cut expenses. Talking about a show – Experience Everett which would be a food truck and trade beer festival.

### FUTURE OF FLIGHT PFD – Dave Waggoner and Barry Smith

- Distributed PFD Quarterly Report – they expect 250,000 people will have gone through the Future of Flight this year. This was their 5<sup>th</sup> year of double digit growth.
- They are getting more \$ per ticket due to internet platform/pricing and are saving money due to online bookings which gives them advance notice so they can better coordinate tour guides and busses.
- FOF has signed a 10 year contract with the Foundation.
- The County has recently expanded the FOF office space.
- The Airport is contributing \$250K for more exhibits.
- Barry - Boeing and the County gave tickets out for free to Mukilteo School District 5<sup>th</sup> graders in May of 2013. The school district subsidized busses and had volunteer parents. The FOF educator works with the kids to teach them and ask them what they learned. Kids will go home and tell parents and spread the word about the FOF tour.
- Gala will be November 9<sup>th</sup> and 300 tickets have been sold so far. The 2012 gala sold 240 tickets.
- Barry will be retiring at the end of October. They are in the process of interviewing a new director and plan to hire by January 2014.

### LYNNWOOD PFD – Grant Dull

- Distributed revenue and expense summary. Lynnwood PFD has seen a 4.8% sales tax growth rate. The Convention Center is doing well – profitable to date and will be at year-end. They expect to finish this year with \$3M in revenues.
- The Convention Plaza has never met revenue projections. Another tenant leaving.
- They had a \$400K month in September which is the largest month they have had so far. Staff are working 70 hour weeks. There are 5 Saturday night auctions in November. Attendance is 83,000 people year to date.
- They have found an environmental liability in the Convention Plaza/Shopping Center area. It was a site of a dry cleaning business at one time. They are not yet sure if the Dry Cleaner owner had an insurance policy to clean up the site. It would cost approx. \$5M for the Lynnwood PFD to clean up the site. If the Dry Cleaner didn't have a policy for the environment liability then the PFD believes they could get a grant that would reimburse the PFD \$.50 on the \$1 after the cleanup would occur. They also have the other two previously known environmental cleanup items – ARCO and Chevron who had gas stations previously located on the property – but they both pay for cleanup and monitoring. This is the site where they would like to have a hotel built at some point. They could sell the land to a hotel developer for approx. \$1.5-\$2M.

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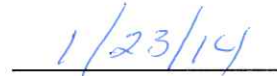
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- Grant mentioned that the next State Association meeting related to the PFD's is in Ocean Shores April 28-29. The Association is going to work on preparing a summary of what each PFD does in the state and then present that to the state legislature in 2014 through lobbyist Jim Hendricks.

**The January 23<sup>th</sup> 2014 meeting will be at the Future of Flight.**

Travis adjourned the meeting at 5:35pm.



Chairperson Signature



Date